

## **Newsletter for the week ended October 3, 2004**

### **Maersk's plans for expansion in India**

Having started work on the third container terminal at JNPT along with Concor, Maersk is exploring the option of participating in the bidding process for the proposed fourth container terminal. After restructuring of Gujarat Pipavav Port Ltd, in which Maersk has 12.5 per cent stake, Maersk will be having a bigger stake. The plan is to pump in \$ 200 million to develop the port into a multi-purpose hub port, with a full-fledged container terminal having a capacity of one million TEUs, LPG and chemical terminals in a phased manner.

### **Development of transport sector in Mangalore**

THE Kanara Chamber of Commerce and Industry (KCCI) has prioritised the expansion of the New Mangalore Port and development of the Old Mangalore Port into a general cargo port in its agenda for 2004-05. KCCI would request the Government for the development of additional berths at the New Mangalore Port to cater to the needs of the export sector.

### **Cochin Fisheries Harbour to be modernized**

To regain the commercial importance of the western Cochin, there is a plan to modernize the Cochin Fisheries Harbour by utilising the available facilities in the area like storage spaces, tourist attraction centres etc considering the various upcoming projects in the surrounding region. Lack of basic amenities, drinking water shortage and house damage caused by sea erosion are some of serious problems faced by the fishing community in the coastal belt.

### **Shippers offer solutions to ease congestion at Kochi**

The increasing movement of cargo and lack of adequate infrastructure has led to congestion at Kochi port resulting in the piling up of cargoes, exceeding the limit of 3,000 TEUs. The absence of new equipments as well as lack of maintenance in the existing ones had further aggravated the problems in the terminal. As a solution, the shippers have offered to provide a private reach stacker within 30 days and another one in 60 days on the back of a written permission from the management. The shipping fraternity also demanded continuation of the existing window berthing scheme on the condition that not more than three container vessels should be berthed at a time, i.e., when there is a window vessel at berth using two gantry cranes, there could be two vessels at the conventional berths. When there are two vessels at the gantry, there could be one vessel at the conventional berth.

### **Congestion at JNPT puts its mark on exports**

Cargo movement was shut down for two weeks at JNPT and Nhava Sheva terminal due to piling up of cargo and non-ability to clear it. Concor has offered to move 5000 TEUs of cargo by road. Indian exporters are facing huge losses in terms of penalties on account of delayed shipments. The shippers have suggested stopping of imports for some time till the congestion is eased, and directing the north-based container depot imports to the ports of Pipavav and Dadri.

### **Consultant for Ship-breaking facility at Kakinada**

The Andhra Pradesh government has decided to appoint The National Ship Design and Research Centre (NSDRC) of Vizag, a technical consultant firm to evaluate the possible impact of setting up the proposed ship breaking industry at Kakinada coast in East Godavari district. The report has to be submitted within a month. The move is on the back of protests from various groups for the proposed ship-breaking facility, citing environmental reasons.

### **Thermal coal import via barges at new barge jetty at Haldia**

National Thermal Power Corporation (NTPC) and CESC Ltd. are interested in bring in thermal coal via barges at Haldia. There is a proposal to build a new jetty at Haldia to handle bulk cargo, with cranes and other equipment for handling bulk cargoes. NTPC wants to bring thermal coal from IB Valley to Haldia by rail for onward movement by barges to its Farakka plant located on the bank of the river. CESC Ltd, the private power utility, plans to import over three lakh tonnes of coal from Indonesia through the dock during the current fiscal. A committee constituted under the Director of Marine Department of Kolkata Port Trust (KoPT) is identifying a suitable location on the waterfront for constructing the jetty.

### **SCI defers investment in Sethusamudram project**

The feasibility and the rationale of investing in the Sethusamudram project is being questioned by some of the members of the board of SCI. The members content that the cost may not reap substantial benefits for SCI. The government had asked SCI, Dredging Corporation of India and five major ports to part fund the Rs 500 crore equity capital of the Special Purpose Vehicle (SPV) being set up to implement the proposed Sethusamudram project, out of which SCI's share was at Rs 50 crore. The board has decided to seek the project's feasibility report and its cost-benefit analysis.

### **Directive to cut vessel-related charges at Chennai**

Out of the three east coast ports of Kochi, Tuticorin and Chennai, who had been issued a directive by the Shipping Ministry to reduce vessel-related charges, only Chennai port is yet to implement the directive. The directive was issued with the objective of bring the charges on par with that of Colombo port, so as to wean away part of the transshipment traffic. As per the concession agreement signed between P&O Ports and Chennai Port Trust for operating the container terminal at the port, 20 per cent of the total container cargo handled by the private operator will have to be shipped on mainline vessels without any transshipment within three years of operating the facility. The three-year deadline expires in March 2005. The contention is that if the charges are revised downwards, then the additional traffic generated on this account will not be a part of P&O Port's efforts for generating traffic.

### **Staff Transfer issue at Kochi port**

Kochi Port has held preliminary round of discussions with representatives of trade unions on transfer of labour for the proposed International Container Transshipment Terminal project under the BOT contract. The port officials will be finalising the list from the management side. The proposed licence agreement envisages transfer of 352 employees of the Rajiv Gandhi Container Terminal to the licensee on deputation for the period the licensee operates the terminal.

### **Environmentalists raise voice against Sethusamudram project**

The Mumbai-based Bombay Natural and Historic Society has strongly opposed the Sethusamudram project citing that the project will have serious impact on the marine environment. The society is of the view that the project is being overrated in terms of shortening of distance between the east coast and the west coast and employment generation. According to the society, the savings with respect to the costs involved and the loss to the fishing industry, is negligible.

### **Vessel delay charges at Kochi**

The Steamer Agents Association is planning to impose a vessel delay surcharge on account of the abnormal delay caused to ships in its sailing from the port in the range between \$50-\$100 per

TEU. The shippers felt the imposition as a necessity as the scope of improvement in the congestion at Rajiv Gandhi Container Terminal (RGCT) in the near future seemed dim. Heavy inflow of import containers and breakdown of equipment have caused heavy congestion at RGCT.

### **Solutions from Kochi port authorities**

The Kochi port authorities have initiated an action plan to reduce congestion by making efforts to speed up the repair works to the reach stackers and transfer cranes. To ease the congestion, only 3 container vessels will be serviced at any given time. So as to reduce the dwell time of export containers, the entry of containers to the terminal for the next voyage would be permitted only on sailing of the present vessel. Strict carting cut off after one shift from the berthing of the vessels has been introduced. The reefer exporters and custom house agents have been instructed to cart the containers to the terminal on registration and confirmation of plug point availability.

### **Row at Kakinada port continues**

The Andhra Pradesh State Government has convened a high-level meet on Friday in Hyderabad to hear the representations of all parties and resolve the issue of cargo diversion, especially iron ore. The old port workers allege that the agreement that 60 per cent of iron ore would be handled at the new port and the rest at the old port for each shipment has been violated.

### **Rising freight rates keep VLCC operators in good cheer, spelling heavy losses to oil companies**

The VLCC operators are cheering the high freight rates, while the oil companies are fretting the damage that the freight rates have done to their bottom lines, as they have to contract their supplies at these enormous rates. The current jump in freight rates would affect Indian Oil, which imported 29.28 million tonnes (mt) of crude and petroleum products while HPCL and BPCL imported around 9 mt and 4.5 mt crude oil last year.

## **Newsletter for the week ended October 10, 2004**

### **New Mangalore port surpasses target**

By handling 15.77 million tonnes of traffic during the first half of the current fiscal, New Mangalore port has topped the list of major ports in surpassing the target of 12.89 million tonnes, registering a growth of 22.31 per cent. The port has registered 41.05 per cent increase in traffic compared to the H1 of the last fiscal. It handled 11.18 million tonnes of cargo in the H1 of 2003-04. This rise is due to the rise in the traffic to the cargo of Mangalore Refinery and Petrochemicals Ltd (MRPL). The port handled a record quantity of 5.94 lakh tonnes of LPG in this period. Container traffic also increased by 55 per cent during the first half of 2004-05 compared to the corresponding period of last fiscal.

### **Traffic resumes at Rajiv Gandhi Terminal**

The Kochi port introduced the system of allowing carting of containers for one vessel belonging to a particular consortium at a time, and steamer agents are to simultaneously release the empty containers from the container yard. This eased the congestion of export containers at the gate, thus regularizing the traffic movement at the Rajiv Gandhi Container Terminal (RGCT) of the Kochi Port. Export containers have been allowed to enter through the RGCT main gate, while import containers were routed through the Import Container Freight Station (CFS) Gate so that there is no obstruction to flow. Trailers inside the terminal were monitored strictly for immediate despatch after the off-loading thus easing the congestion inside the terminal.

### **Floating jetties along Hooghly river**

Inland Waterways Authority of India (IWAI) plans to construct floating jetties along the Hooghly River, particularly in the stretch between Kolkata Dock System and Farakka, as part of its plan to promote transportation of goods by the river route. The initial traffic throughput comprising mostly exports, generated by the manufacturing units of cement and fly ash located in the districts of Hooghly, Howrah, Burdwan and other places on the west bank of the river, is estimated at 10,000 tonnes a month. However, the Customs facilities will have to be in place once the jetty starts handling imports from Bangladesh.

### **Market borrowing by government for funding port projects**

The shipping ministry has suggested raising funds from the market to finance the capital cost of dredging projects in Jawaharlal Nehru Port Trust (JNPT) and Cochin and Paradip. The government has given a grant towards the projects at JNPT and Cochin, but the shipping ministry is of the opinion that the well off ports can afford to access the market for raising funds and the grant can be effectively utilized towards the other ports who may find it difficult to approach the market for funds.

### **Vizag port manages to clock the same traffic as previous year under difficult circumstances**

Vizag port has, with great difficulty managed to attract traffic as the previous year for the six months of the current fiscal despite a sharp fall in petroleum products handling. This was achieved due to increased handling of iron ore. The port had lost a lot of crude transshipment cargo in the first half of the year and this drop led to a fall in the handling of petroleum traffic.

### **Government's strategies for solving the congestion problem at JNPT**

The commerce ministry has decided to deal head-on with the congestion problem at JNPT. The piled up containers at JNPT would be shifted to three locations, including the central warehousing

container freight station. The requirement of bank guarantee for removing of containers directly by shipping line has been waived. This would help in speedy lifting of 5,000 containers. Some containers would be shifted to Mumbai Port Trust, which has a capacity to accommodate up to 10,000 containers. Apart from shifting 4,500 containers to central warehousing container freight station, additional 2,000 would be shifted to Vashi.

### **Diesel sops to mechanised fishing boats in Andhra Pradesh**

The state government of Andhra Pradesh has proposed to increase the subsidy on diesel for mechanised fishing boats. Currently, mechanised boat operators enjoy a subsidy of up to 1,000 litres of diesel per month. The state government's proposed subsidy on each litre is nearly Rs 3.70 as per the current diesel prices. As the diesel prices were rising, there was a fall in the catch of fish as many mechanised operators had to stop plying their boats. Because of the government's decision, the operators will benefit more than Rs 1 lakh on each mechanised boat a year.

### **High demurrage charges for IOC on account of berthing delays**

Indian Oil Corporation (IOC), the country's largest crude oil importer, has to pay hefty demurrage costs to ship owners at the rate of anywhere between \$60,000 to \$75,000 per day, as very large crude carriers (VLCC's) carrying five parcels of crude in September had to wait for berthing in Vadinar within Kandla port limits for about ten days. Shippers blame it on lack of proper planning by IOC.

### **HPCL, BPCL to finalise crude import contract with SCI – maybe at higher rates**

Hindustan Petroleum Corporation Ltd (HPCL) and Bharat Petroleum Corporation Ltd (BPCL) are likely to import higher volumes of crude under the contract of affreightment (COA). The import by each company is likely to increase under the contract, which would mean additional burden on the companies. They are trying to negotiate for lower freight rates with SCI, but SCI is trying to argue for a higher rate citing higher operation cost, higher port charges and a hefty hike in the bunkering cost.

### **India Gateway Terminal Private Ltd to manage the Rajiv Gandhi Container Terminal (RGCT)**

Dubai Ports International has floated a 100 per cent subsidiary, India Gateway Terminal Private Ltd to manage the Rajiv Gandhi Container Terminal (RGCT). This company will later on develop and manage the proposed international container transshipment terminal (ICTT) at Vallarpadam. Several parties, including financial institutions and infrastructure development organisations, have expressed interest in the Rs 2,118-crore project. But DPI is being cautious in choosing the right strategic partner(s).

### **Chilean ports face crises**

There was widespread unrest at all the ports of Chile, following the alleged beating up of a union leader during a demonstration connected with a local pay dispute. International Transport Workers Federation General Secretary, David Cockroft has made a written request to the head of state of Chile to look into the matter stating that "Port workers around the world will be shocked by this incident, which is horribly reminiscent of the excesses that we all believe have no place in a modern, democratic Chile." He also stated that, the incident may "have consequences for Chile's international trade, especially in ports where ITF trade unions are monitoring anti-trade union measures perpetrated by governments and employers".



## **Newsletter for the week ended October 24, 2004**

### **Transworld group spans the country from west to east**

Shreyas Shipping Company limited plans to provide freight services on the East Coast, which would offer a low cost alternative route for the cargo flowing from the two new containers terminals in Chennai and Visakhapatnam. The company intends to provide total supply chain management solutions, by also getting into logistics business through strategic alliances. The company intends to create a synergy between its capabilities of handling coastal movement of cargo and alliance's expertise in other areas of logistic services.

### **Varun Shipping posts good results**

Varun Shipping Co Ltd has reported a 315 per cent increase in net profit for the second quarter of the current fiscal to touch Rs 21.19 crore, as against Rs 5.10 crore in the corresponding quarter of last fiscal. The increase in income from Rs 67.80 crore during last year for the second quarter to Rs 95.21 crore in the current fiscal's corresponding quarter, can be attributed to the rise in LNG freight. The company announced an interim dividend of 10 per cent. The rights issue aggregating to Rs 65.27 crore, in the ratio of one share for every two held, would be used to part finance its \$70 million for expanding its fleet in the hydrocarbon sector.

### **Efforts to improve maritime training institutes**

The DG Shipping has roped in the rating agencies of CRISIL, ICRA and CARE for rating and grading the 130 maritime training institutes, located in various parts of the country, so as to ensure good quality education. It was observed that though these institutes started with DG Shipping's approval, they failed to keep up the quality of the education. Inspections by the Academic council of DG Shipping revealed wide variations in the quality of education imparted by different institutions. The various factors being considered for grading include the teaching methodology, quality of faculty, financial position of the institute, feedback from shipping companies and the institute's capability to outsource facilities that are not available with it.

### **Indian maritime industry needs a relook at its administrative aspect**

The growth in the number of marine surveyor is not commensurate with the growth of the Indian shipping fleet. This has put pressure on the quality of services and handling of things. This is evident from the fact that, 57 years back against a DWT of 0.5 million DWT, there were some 50 surveyors in the maritime administration and now, against a fleet strength of 7.5 million DWT, there are only 66 marine surveyors. The lack of attention in this area may hamper the growth of Indian maritime industry. These officers perform various functions such as examination and institute inspection to implementation of ISM code, plan approvals, casualty inspection aboard ocean-going vessels, Flag State inspection and implementation of Port State Control (PSC) regulations.

### **It is Kulpi versus Sagar Island**

According to Mr Satyesh C. Chakraborty, former IIM, Kolkata professor and former Director of Indian Institute of Port Management, Kulpi port can continue to remain as a dock and could be developed as an aggregation point of containerised traffic and therefore, encouraging barge movement of boxes between the Kolkata and Haldia docks. This is against the proposal for developing it as a port. He suggested the river port of Sagar Island, which is close to the sea and also has the advantage of deep draught.

### **Kochi port international container terminal – an update**

Under the integrated Kochi port development plan, the port is gearing up to facilitate the port operations in terms of infrastructure and allied services such as capital dredging for the navigation channels and the rail and highway connectivity. With the environmental clearance

also in place, the plan is set to move ahead in full steam. As per the bid conditions of the ICTT, the port is obliged to give rail connectivity to the project site. Road connectivity to Vallarpadam is available with the commissioning of Goshree bridges.

### **Waiver of container charges during the strike**

The port users of Chennai Container Terminal were able to get the container charges waived, which were levied during the strike at the port. The Tariff Authority for Major Ports (TAMP) has directed CCTL to examine, on a case-to-case basis, the special service request (SSR) charges levied during this period, based on applications by concerned parties, and re-credit the admissible charges in genuine cases. SSR charges can be levied at the rates approved in the scale of rates for miscellaneous services, if the relevant additional services have been actually provided.

### **IOC may handle naphta at Paradip**

IOC is planning a tankage facility of 5 lakh tonnes at Paradip for handling naphta. IOC is also constructing a crude tankage with a capacity of 1.5 lakh tonnes at the port. This is on account of likely imports of large volumes of crude through Paradip port and then transport it through the 500-km crude pipelines to Haldia. The commissioning of the pipeline will boost the port's traffic throughput substantially as an estimated five million tonnes of crude are likely to be handled annually.

### **Vallarpadam Port – Labour issues**

The Cochin Port Labour Union has suggested that there should be a clear provision in the licence agreement to ensure that the licensee start construction of ICTT as soon as RGCT is transferred for operation to the licensee and the ICTT should become operations within two years of handing over of RGCT. The union has demanded continuity for employment for both direct employees and private labour working in the port on same terms after the transfer of the Rajiv Gandhi Terminal to DPI.

### **Ship operators to US and Canada impose congestion surcharge at Nhava Sheva**

The Indmex consortium, comprising the state-run Shipping Corporation of India, Contship Container Lines, CMA-CGM and APL, has levied congestion surcharge from October 15 of \$50 per twenty-foot equivalent unit (TEU) and \$100 for a forty-foot equivalent unit (FEU) on all shipments moving from the P&O Ports run Nhava Sheva International Container Terminal (NSICT) to the US, thus increasing the cost of exports. Exporters and shippers cry foul as they have to bear the extra cost burden for no fault of theirs.

### **Juicy Bits**

- Great Eastern Shipping has signed a contract for building two new 'medium range' product/chemical carriers of 37,000-deadweight tonnage each.
- Essar Shipping Limited's net profit for the quarter amounted to Rs 30.89 crore; net profit during the same year-ago quarter had been Rs 21.1 crore. Income from operations rose over 70 per cent, to Rs 223 crore (Rs 131 crore).

## **Newsletter for the week ended October 31, 2004**

### **The British say “Better Late Than Never”**

The Ports and Terminals Group (PTG) from Britain interacted with the representatives of private and public sector ports and infrastructure companies in Ahmedabad indicating their keenness to invest in Indian ports. They want to take their first step in Gujarat. The success of various foreign port operators in India, the attractiveness of investing in Indian ports and reaping the benefits of privatization of Indian ports is too luring to ignore. PTG hopes to join the party in Gujarat, as it feels the action on the port front is highest in the state. The Group has indicated its main areas of interest as containerisation, breakbulk, bulk handling, oil and gas, Ro-RO and also leisure and passenger terminals, not leaving out the LNG segment.

### **Greenfield ports take off in Gujarat**

The Gujarat Maritime Board (GMB) has invited EOI for greenfield ports at Simar, Vansi-Borsi, Maroli, Mithi Viridi and Bedi. The response to this was from various companies from Belgium, Netherlands, and the UK. Four other ports have been opened up for joint participation with private companies. These will be done in a phased manner with feasibility studies, followed by global bids, evaluation of proposals, techno-commercial studies and the like. Simar has been identified for LNG, coal and other requirements, Vansi-Borsi for handling petroleum and liquid chemical cargo of immediate hinterland, Mithi Viridi for steel and automobile exports.

### **LNG Terminal at Kochi**

LNG Petronet, a consortium of GAIL, ONGC, IOC and BPCL, is likely to go ahead with the Rs 1,600-crore, 2.5-mtpa (million tonne per annum) terminal to be set up at Puthuvypu, off Kochi. With the Union petroleum ministry's sanction in place, Petronet has already invested Rs 30 crore for the project. Petronet would take about three years to develop the LNG terminal. The proposed 2.5 mt LNG terminal by NTPC at the Puthuvypu site is yet to take off as Petronet is not keen to develop the terminal without an assurance of business.

### **Sethusamudram project under magnifying glass**

Marine scientists and environmentalists are sceptical about the economic and ecological sustainability of the Sethusamudram ship canal. As the sides of the canal cannot be lined or protected by any artificial wall, a strong tidal wave is enough to level the canal. Stopping the sand from filling the canal and its removal would be very expensive. A report prepared by experts for the Coastal Action Network (CAN), a collective of non-governmental organisations working for the livelihood security of coastal people in Tamil Nadu, Kerala and Karnataka, questions the economic viability of the project. The much advertised 25 hours savings in voyage may not really be there on account of various stopovers and the canal may not be safe during certain months of the year.

### **CII adds its share towards suggestions for easing congestion at ports**

Delay in processing the shipment at the two important ports of the country of JNPT and NSICT has caused considerable damage to the Indian business scenario. CII has asked the government to mobilise extra resources to the ports for rapid clearance of the shipments. It has also suggested creation of a separate channel at JNPT port for factory-stuffed containers, which are containers sealed by excise department prior to departure from factories. It suggested that CONCOR charge same freight rates for the movement of containers from ICD to any port in the country as this will help direct the cargo to other ports.

### **Essar Shipping looking at crude transportation**

Essar Shipping is set to be a provider of comprehensive sea-logistics and supply chain solutions. The supply chain solutions will include shipping, terminal activities, storage, lighterage, ultimate delivery of oil to refineries and taking the products out of the refineries for

onward transportation. The company has opened offices at New York and Beijing with a view to focus on energy transportation and management.

### **Royalty/ revenue share not to be treated as a cost with retrospect**

The Shipping Ministry had issued a guideline in July 2003 about not treating royalty and revenue share as a cost item in setting up the tariff structure. The ambiguity arises as regards to the date from which it is applicable, whether the date when the contract was awarded or when the actual operations were started. P&O Ports operating at Chennai International Container Terminal and PSA-SICAL operating at Tuticorin port had to seek exemption from this guideline, even though they commenced operations prior to July 2003. Private operators argue that, globally, royalty/revenue share is admitted as a cost item for fixing tariffs at ports and the flow of private investments would be affected if this were not allowed in India.

### **Major ports should have competitive marine charges to attract transshipment**

Major ports will have to fix competitive marine charges as one of the ways to promote larger private investments into the port sector. Mr S. R. Ramakrishnan, Managing Director, PSA-SICAL Terminals Ltd, said, that the major ports will have to dredge their channels deeper to accommodate large container vessels, which will also enable India to reduce its dependence on neighbouring transshipment ports. According to him, the revised model concession agreement has made private sector participation in developing projects at major ports more bankable and the revised royalty structure is more equitable for private investors.

### **More equipment to increase cargo handling**

PSA-SICAL is procuring four second-hand Rubber Tyred Gantry Cranes (RTGCs) from Malaysia and one quay crane to handle additional box volumes at the terminal at Tuticorin port. The equipment will be commissioned by the first/second week of December. It is also in the process of developing five additional blocks, apart from the present five blocks for stacking containers to accommodate the additional volumes that it envisages in the next year.

### **The new spotlight – LNG transportation**

The latest in marine transportation in India is looking at LNG. Apart from the factors such as imports, deployment of the right type of vessels and freight, and the freight basis to be used (F.O.B. or C.I.F.), a more recent issue of domestic transportation of regassified LNG has come up. The regassified LNG will be imported by Petronet at Dahej, which will be sold to BPCL, GAIL and IOC, for further supply to their respective customers. BPCL and IOC are also to use the pipelines laid down by GAIL. But as the pipelines pass through various states, difficulty arises in setting the transportation tariff.

### **Gangavaram port financial closure soon**

With the Detailed Project Report (DPR) for the Gangavaram Port near Visakhapatnam almost ready, the project is expected to achieve financial closure in six months. The port, with six berths would be the deepest port in the country and the only one to handle vessels of upto 2,00,000 DWT. The port is expected to have a traffic potential of 27.4 mtpa in short term and 103.3 mtpa in long term handling import and export of coal, iron ore and other dry bulk cargo through 25 berths.

### **Port of Le Havre looks at feasibility of maritime traffic with India**

The two-way maritime traffic between Indian ports and the Le Havre port is about 80,000 TEUs (twenty foot equivalent units) a year, which is expected to grow significantly in the coming years. Le Havre happens to be the first port of call for vessels sailing to the European continent from North America or the Far East and this enables customers to redistribute their cargo throughout Western Europe. To meet the growing demand for container traffic, the port authority is adding 12 container berths along a quay stretching over 4 km.

### **Congestion problem at JNPT tugs at Cabotage laws**

Many solutions have been offered to ease the perennial congestion at JNPT, but in vain. The Ministry of Shipping has now decided to relax the Cabotage Law, which restricts movement of foreign-flagged vessels along Indian coasts, for movement of containers between the port and any other Indian port for a period of six months, with a clause for extension, if needed. Diversification of traffic to Mumbai port and roping in CONCOR to move cargo to Mumbai port has been offered as one of the solutions to solve the problem.

### **Dhamra port project**

Tata Steel and Larsen & Toubro (L&T) are setting up a joint venture, with equal partnership for the Dhamra Port project in Orissa, at an estimated cost of Rs 1500 crore- Rs 1700 crore, comprising Rs 350 crore of equity and the rest in debt. The port is scheduled to be operational by December 2007. It is envisaged as the deepest port in the world at 18-metre depth, handling bulk. The partnership aims at making the proposed port the most cost-effective port on the east coast.

### **Juicy Bits**

- Maersk and P&O allowed to bid for the fourth terminal at JNPT
- Shipping Corporation of India (SCI) has reported a net profit of Rs 210.13 crore for the second quarter of the current fiscal against Rs 80 crore in the same period last year.